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APPENDIX III.

[Vide answer to starred question No. 54 asked by Sri H. M. Jaganatham (on behalf of Sri P. R. K. Sarma), at the meeting of the Legislative Council held on the 23rd March 1948, page 66 supra.]

G.O. Ms. No. 319, Development, dated 22nd January 1948.

[Labour—Disputes—Dispute between the workers and the management of the Western India Match Factory—Tiruvottiyur—Recommendations of the Industrial Tribunal—Orders passed.]

READ—the following papers :—

G.O. No. 4908, Development, dated 16th October 1947.

From the Industrial Tribunal, Madras, dated 3rd January 1948,
No. I-D. 20/47.

Order—No. 319, Development, dated 22nd January 1948.

Whereas the award of the Industrial Tribunal, Madras, in respect of the industrial dispute between the workers and the management of the Western India Match Factory, Tiruvottiyur, has been received.

Now, therefore, in exercise of the powers conferred by section 15 (2) read with section 19 (3) of the Industrial Disputes Act, 1947 (Central Act XIV of 1947), His Excellency the Governor of Madras hereby declares that the said award shall be binding on the management of the Western India Match Factory, Tiruvottiyur, and the workers employed therein and directs that the said award shall come into operation on the 22nd January 1948 and shall remain in operation for a period of one year.

BEFORE THE INDUSTRIAL TRIBUNAL, MADRAS.

Sri M. VENKATARAMAIA, B.A., B.L.

In the matter of the Industrial Disputes Act and in the matter of the industrial dispute between the workers and the Management of the Western India Match Factory, Tiruvottiyur, Madras.

AWARD.

The above dispute was referred to me for adjudication in G.O. Ms. No. 1842, Development, dated 26th April 1947. As I was on leave for three months and the dispute remained undisposed of, it was again referred to me for adjudication in G.O. Ms. No. 4908, Development, dated 16th October 1947.

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The Western India Match Factory was represented by Mr. Rajeswara Rao of Messrs. John and Row and the workers were represented by Mr. P. R. K. Sarma, M.L.C., the President of the Union.

Issue No. 1.—Whether Murugesan, Rangaswami, Shukoor and Kulla Govindan were wrongfully removed from service and whether their reinstatement should be directed.

Murugesan, Rangaswami, Shukoor and Kulla Govindan were employees in the WIMCO and were removed from service on 29th July 1939 and the Union now applies for their reinstatement. In one and the same breath the Union represents that these four workers were not dismissed and yet they want their reinstatement. The fact is that their services were terminated on 29th July 1939 as Exhibits VIII series show. The reason for this was that they were all convicted by the Sessions Judge, Chingleput, in S.C. No. 11 of 1939 and sentenced to various terms of imprisonment, the offences being rioting and mischief by fire and in some cases hurt also. The important section is section 426, Indian Penal Code. There was a conspiracy to set fire to the factory and there was rioting and some property was actually destroyed. When the Management found that their own workmen inclusive of the four persons mentioned above were engaged in the act of committing mischief by fire to their property and a court found them guilty of the offence, it cannot be said that the dismissal was improper. Mr. Sarma said that one of these men, Shukoor, was convicted by the High Court only under section 147 and not under section 426, Indian Penal Code. Be that as it may, an employee of a factory engaging himself in rioting and unlawful assembly and having been convicted in the court, and that a Sessions Court, and the sentence having been confirmed by the High Court, even if it be under section 147, Indian Penal Code only, has no right to be reinstated. I do not think many more reasons are required for the dismissal of an employee than this. The issue is found against the workers and reinstatement cannot be directed.

Issue No. 2.—Whether a scheme for gratuity should be introduced in respect of service prior to the introduction of the Provident Fund Scheme in 1945?

This company has been functioning in Madras since 1929. In 1945 they introduced a scheme of provident fund under which the contribution by the employee and the employer is 8½ per cent but that, as I said, is from 1945. The Union demands that for the period from 1929 to 1945 there should be a gratuity given at the rate of one month's salary for every year of service. The company says that no such gratuity can be a right exercisable. It has often been held that though gratuity and bonus do not partake of the nature of any contract, it can be the subject-matter of adjudication. This demand is characterized by the company in paragraph 10 of their written statement as "preposterous". In passing, I may say I have not found the pleadings of parties

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couched in such unnecessary strong language as in this dispute. For example, I refer to this: "After reference to this Industrial Tribunal of the industrial disputes for adjudication, disobedience to order, insubordination, frivolous complaints, and stay-in strikes have become the order of the day and became more frequent than previously." I hope Government will take due notice of this kind of language coming from a management claiming to be a paragon of virtue in regard to the conditions of service and other matters.

In the Burma-Shell Company, when provident fund scheme was introduced they did grant gratuity half a month's salary up to a particular period of service and thereafter at one month. There is no unreasonableness in a man who has put in 20 years of service to demand a gratuity when he is obliged to quit service. This very same company, WIMCO, grants as a matter of fact gratuity. It is mentioned that they have been giving gratuity which depends upon "whether a certain worker has pleased his employer and if so to what extent." This is the very point which the labour is contending against. A workman who has rendered good service, and efficient service for a long period of time and whose services have benefited the company in the matter of profits is entitled to, or at any rate, must be deemed to have earned a right to get some amount of money irrespective of whether the employer is pleased or not pleased. The days are gone when the employer can dictate to his employees saying "If you will kneel and be suppliant, you will get a gratuity and a large sum at that. But if you stand firm and do not show proper respect you shall not get anything." The whole tenor of the statement filed by the company in this dispute unfortunately shows an extremely hostile attitude towards labour. I hope the company will now at least realize that it owes a duty to the labour which has stood by the company during all the terrible years of war and even before. It is they, the workmen, who have helped this Swedish Company to establish itself in Madras and, therefore, apart from all legal rights moral liability falls on the employer to treat the labour with something other than contempt. They should realize that labour is as much a part of the industry as the owners of factories.

This is the only case in which I felt necessary to return to the parties their written statements and they filed fresh statements. Yet the language has not been modified to any extent. Inasmuch as there is at least one employer of labour who indulges in language unbecoming of respectability, the Government will do well to amend the rules framed under the Industrial Disputes Act so as to bring management as well as Labour Unions to a sense of responsibility to observe ordinary canons of good behaviour and not to use intemperate language. I do not know why the parties should not be dealt with for contempt of court even. Does the WIMCO wish me to believe that Government's action in referring disputes to adjudication has led to indiscipline and other ills in the industry?

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Is it not terrible to see that a workman in the factory should go to the length of setting fire to the factory? They should consider to what a degree of exasperation they should have been roused to perpetrate such a nefarious act. It is not mere fun that makes people do such nefarious deeds. It is want of sympathy; it is want of consideration for the lot of the worker and it is the growing feeling and suffering on the part of the worker that drives him to such acts. Why should the payment of gratuity depend upon the pleasure of the employer as the management say at page 10 of their statement? They say "Whenever a worker has died the company has made *ex gratia* payment to cover reasonable funeral expenses although not bound to do so." Later on, "it is the privilege of the management to grant or refuse payment of gratuity . . ." What is worse, in spite of the statutory requirement that there should be standing orders which clearly define the conditions of service this company has not yet done so. There are no standing orders even now and to leave things to the 'Pleasure' of the company seems to me to be rather dangerous at least so far as the WIMCO is concerned.

It is only the Burma-Shell Company's rules which are directly comparable to companies of this kind. There also the provident fund was introduced some 16 or 17 years ago and service before that period was not left out of account. Whereas a man who has contributed towards the provident fund gets the provident fund from the date of its institution, he would get for the previous service, i.e., for service prior to the institution of the provident fund a gratuity calculated at a certain rate. I think that principle is very sound and I hold that the WIMCO should give to the employees gratuity at half a month's salary for each year of service up to the date of the introduction of the provident fund in 1945. This calculated gratuity will become payable along with the provident fund.

Issue No. 3.—Whether the salaries, piece rates and wages now in force are inadequate and require to be increased? If so, in what manner?

(a) Whether the starting salary of Re. 1-1-0 for a fitter employed after test is too low?

(b) Whether the yard workers' wages deserve to be raised? If so, to what extent?

Naturally the question of wages and salaries must demand greater attention and much discussion has also taken place on the subject. In order to determine whether piece rate or wage or salary is adequate or not three main factors have to be considered. One is whether in kindred industries in the same locality the rate is the same or approximately the same, secondly what does the same company pay to its employees in Bombay and Dhubri (Assam) and what variations have to be made in order to suit the different localities and thirdly what is the nature of the work for which the wage is to be determined.

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A fourth and a very important consideration will be whether there has been increases in the rates of wages and salaries during the past eight or nine years. At my suggestion the company has obtained a list of rates obtaining in the Ambarnath Factory (Bombay), marked Exhibit XII and it has been signed by the Technical Manager, Bombay, and I assume that it is a correct statement. This has to be compared with columns 9 and 10 of Exhibit XIII, which is a statement furnished by the company to show the actual earnings of the different categories of workers in Madras at present, i.e., in 1947. The last column of the statement shows the increase which the workers obtained in their wages between the periods 1939 and 1947. It is found that everyone of the workers got an increase. A man who was getting Rs. 2-0-9 in 1939 gets Rs. 2-6-0 per day now and in respect of the daily-rated workers the increase has been distinctly noticeable as Exhibit XIV will show. In 1943 a general increase of half an anna in the rupee was given to all the piece-rated workers. The result of the comparison of the increases to the different categories show that some persons got as much as 70 per cent increase in the wage rates while some got 16 per cent only and in the case of the daily rates it varied between 2 annas and Re. 0-14-9. The question is whether these increases are adequate.

In considering this question it is necessary to remember foremost that in this company there is no question of dearness allowance. We are now dealing with rates and salaries only without reference to the increased cost of living for which dearness allowance is paid, because the company supplies to all the employees provisions and stores required for household use at the same rates at which those commodities could be had in the market in 1939. The company naturally has to spend a lot of money in obtaining the stores at current market rates. They have, however, fixed the quota for each individual up to which only he will be permitted to buy in the stores at the concessional rates. This quota ranges from Rs. 13 to Rs. 20, vide Exhibit IV. Exhibit XIII will show that the actual earnings of all grades and classes of employees have increased from 1939 to a very substantial extent so much so that the lowest income of a piece-rated worker is Rs. 24-2-0 and he is the 'dozen packeting receiver.' Besides this man there are only five other persons who get less than Rs. 30 a month, and with regard to daily rated workers except those corresponding to the coolie classes, viz., the very unskilled, all are paid more than Rs. 30. In addition to the wages and salaries earned by the employees the company pays a cash allowance of Re. 0-1-4 per rupee. Consequently, the wages and salaries paid in this company compare very favourably with what obtains in other concerns. At this stage we may consider what are the types of workers and the nature of skill demanded of them in this factory.

The Western India Match Factory is located near Tiruvottiyur and has been in existence since 1929. A visit to it when it is

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working ought to convince any one that rationalization in this factory has gone apace rapidly with the result that there is comparatively little of what we may call skilled or technical knowledge required.

Huge blocks or stumps of felled trees are brought to the gates of the factory and they are, by means of crowbars and other means, rolled into the place where sawing is done. This place is called the 'Yard'. By means of power-driven saws these blocks are cut and the cutting was so nice to see, as if it was a piece of lump of butter being cut by a knife. The men or man at that stage has to roll this blocks into position and the saw does the rest of the work. The sundered blocks or pieces are sent to another section where by means, again, of machinery from these cut pieces layers are taken veneers. These are again slightly cut and by impressions made on them the veneers are shaped into pieces corresponding to the match boxes. The inside as well as outside are made by machines themselves. These outer and inner boxes are all thus completed by the working of the machines and the man at the spot has only to remove them when the work is finished or the veneers have to be put in position to be cut and folded. Another section is similar to the above where different layers of cut wood are piled one over another and pushed into proper position and the machine cuts them into splinters. A sieve separates useless ones from the good ones and the machine, which is again worked by power, is so constituted that it just allows the tips of splinters to touch a chemical composition which is kept in a large basin at the bottom of the machine. The splinters with the chemical composition tipped at their ends pass on again by the machine and are dried and they are produced at the other end in order to be put into boxes. The box filling department arranges these match sticks and the number to be put into each box is again regulated by a machine. It is like the tickets which are put into the shelves at the ticket collector's office in railway stations. The exact number drops into the box where they are arranged and filled boxes are sent to the banderol department where the banderols are fixed and labels are attached also by machinery. The making of the chemical composition is the one thing where manual labour is prominent. Also that department where the chemical composition has to be made for the powdering of the sides of boxes. Thus it will be seen that from the beginning it is the machine that does the work and what the man does is either to feed the machines at one stage or remove the finished product at the other end. I am definitely of opinion that there is very little skill expected of the workmen in this factory except at a few places. I consider the box-filling department to be rather of an arduous kind, and the box-filling man gets on the average Rs. 41 and there are 44 such men. In the face of what has been observed above it cannot be said that the wages here are too low for any category of workers. Prominent attention was drawn to the case of a coolie, a sweeper, whose salary is Rs. 24-6-0 (Chegappa Reddi) and it was stated

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that he invariably got much less than this. It must not be forgotten that the salaries paid or wages earned would depend on the length of attendance in the month and as long as the rates are found to be satisfactory and adequate, the fact that a particular person got low income is not due to the inadequacy of salary, but to his too frequent absenteeism.

Another factor which should be borne in mind is whether the increase that the several categories of workmen got was to a very low paid basic salary. If for instance in 1939 the salaries and rates were very low the increase of 5 or 6 annas or 20 per cent may not be an adequate increase but in column 16 of Exhibit XIII are given the piece rates for each category of worker which obtained in 1939. To further clarify this the company has produced the rates for 1939 (Exhibit I). Even in 1939 except two or three categories of workers every one got more than one rupee per day. It will also be observed that the heavy worked man, though unskilled such as the cross-cutting machineman, gets a very decent salary of more than Rs. 60 and the helper Rs. 57. The corresponding men in Bombay are paid Rs. 1-7-0 and Rs. 1-4-0 a day—much lower than what the Madras men are paid. These variations between one place and another or between one category and another category are not due to any haphazard fixation of wages. Whenever the work involves hard, manual labour, though it is unskilled, a little more is being given and in some places the same kind of work will demand a higher rate due to local conditions. Therefore, when a comparison of the rates obtaining in different categories or in different places is made it should also be remembered that all types of categories in a factory such as this are or may be said to be unskilled or at the most semi-skilled. Therefore, it is futile to contend that a man who is paid Rs. 1-8-0 in a certain place must be paid Rs. 1-8-0 in another place simply because he does the same work. If the variation, however, is appreciable, then explanation has to be demanded. In the present case a comparison of Exhibit XIII with Exhibit XII shows the Madras workers are in an advantageous position except in Rims Veneer Feeding section and Rims Veneer Chopping. The latter's rate is about Rs. 1-1-0 whereas it is Rs. 2-4-0 in Bombay. But the dimensions of the layer differ. On a very careful comparison of the rates in the different departments I am unable to say that there is any inadequacy of the rates prevailing in Madras. I would recommend that the rates with regard to the Rims Veneer Feeding machines and Rims Veneer Chopping may be revised slightly to bring them up to the Bombay standard.

Another category about which I would leave a suggestion is the banderol, cutting, powder and filling where the rate now obtaining in Madras is $1\frac{1}{2}$ pies, or 1.29 pies and 1.38 pies; it may be raised to $1\frac{1}{2}$ pies, the rate which is in vogue in Bombay. These are to be taken as suggestions but not as obligatory. Mr. Engstrom, the Chief Engineer, who knows these matters will set right these slight anomalies. I would also suggest to him if he could increase the number of men in the box filling machines. Though it may also be a mechanical kind of work a certain amount of risk of burn exists in this box-filling department but the risk cannot be avoided by

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giving more money. It is perhaps possible to reduce the risk by employing more men. I would leave it to Mr. Engstrom to pay attention to these matters.

The result of the foregoing considerations is that the minimum which an unskilled man in this company gets is Rs. 24-12-0 and he also gets an attendance bonus and a cash allowance at As. 1-4 per rupee. There are also other concessions such as fuel and stores to which I have already referred. These wages cannot, under any circumstances, be said to be too low or inadequate.

In their statement the company has devoted one column to show the possible earning of each workman if he was doing his best. This was refuted by the other side and the company has produced Exhibits V, VI and VII. They show the actual earnings of three men in the Peeling department in the month of July 1947. The production is approximately near to what the company shows as a possibility and the earnings have been Rs. 48, 49 and 52. Given full attention to the work, a workman can earn much more than the minimum which is fixed for 26 days. Quick work at the machine and producing more will get him more money. This, it is the business of the Union to impress upon all the workmen. It is not that the rate is too low but that the work is not quick and efficient that makes the man get what he calls a lower income.

In the course of discussion it was found that a few matters required clarification. An impression was created that a number of people have been kept temporary for a long period of time with the consequence that they got no benefits, either of dearness allowance or stores concessions or provident fund. The management has filed certain statements showing the number of men whom they confirmed in 1945, 1946 and 1947, and above all they have sent me the notices which they have put up giving effect to certain changes from 9th December 1947. Those who have put in a continuous service of one year will be confirmed and they will no longer be treated as casual labour without any privileges. The persons who were treated as casual labour and were getting Rs. 1-11-3 will hereafter get Rs. 2-3-0 including dearness allowance. Rs. 2 per day for an unskilled labourer is exceedingly reasonable.

I was very much gratified to find this immediate response on the part of the management to a few observations of mine in the course of the arguments.

3 (a) and 3 (b).—It is not quite correct to say that the starting salary of a fitter is Re. 1-1-0. At page 2 of Exhibit XIV the names and incomes of all the fitters are noted. They are all getting more than Rs. 40 a month except six people who were appointed quite recently. No one can demand that from the date of appointment as a fitter he should be paid Re. 1-4-0 or more. When he is a learner, during that period he cannot be expected to be paid the wage of a permanent fitter. Also the kind of work in which he is employed as a fitter requires consideration. One apprentice fitter is getting Re. 1-7-0 but another apprentice fitter is getting

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only As. 12-0. Both are new entrants. With regard to permanent fitters who have put in more than two years of service, I do not find that any one gets less than Re. 1-4-0.

With regard to yard workers I have already said that they are working in the open, pushing or removing the blocks of wood. None of them gets less than As. 14-0 a day and they also get As. 1-4 in the rupee extra. What they are now getting seems quite adequate.

Issue No. 4.—What shall be the reasonable period of leave which should be granted (i) as ordinary privilege leave (it is now 15 days), (ii) as sick leave with pay and (iii) on account of festivals. (It is now 13 days without pay.)

N.B.—There can be no accumulation of sick leave.

The granting of leave by this company is of one kind only. Leave for 15 days in the year is given, and I am asked to interpret this as 10 days privilege leave and 5 days for holidays. For this reliance is placed on their letter to the Commissioner of Labour, dated 23rd July 1945 (Exhibit X). Mr. Sarma for the Union states that he never agreed to have five days leave for festivals. Whatever that be, it is now obligatory on the part of every employer of this type to give 10 days continuous leave and as it is obvious that those ten days should be given for the purpose of recuperation of health there should be a few more days available to the worker. Recently the Madras Legislature considered 12 days privilege leave, 12 days festival holidays with pay and 12 days sick leave would be reasonable for one class of employees. In the installation of the oil companies the workers get 17 days privilege leave and a fairly long period of sick leave with pay and half pay and seven days festival holidays with pay. I direct that the workers in the *Wimco* shall be given 17 days privilege leave with pay, seven days sick leave with pay and with regard to festival holidays the company states that at page 13 of their written statement that they close the factory for 13 days in a year on account of festivals, but without pay, and they elaborate the statement by saying that when the factory is closed for festivals Sunday is substituted and double wages are given and so on. It is time we bring about some uniformity in these matters. With regard to festivals the direction should be that seven festival holidays with pay shall be given, and what those seven festivals are shall be determined by the workers and the management after due consultation.

Issue No. 5.—Whether the value of the provisions supplied by the stores should be raised from Rs. 14 to Rs. 20 for all workers.

Out of 1,220 workers, 872 are permitted to buy stores at concession rates up to a maximum of Rs. 14. The others allowed to purchase upto Rs. 15 and Rs. 16. The commodities supplied to them are mentioned in Exhibit XVI and the quantities which each person can buy are limited. Much time was spent in establishing that the value of the stores would be 4 or 5 times these amounts if purchased in the open market today. That however, in my opinion is beside the point. The workers are getting the provisions

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required at a favourable rate and what they demand is that this limit should be increased to Rs. 20 for all workers. Some employees are permitted to buy even up to Rs. 30 but 1,220 men cannot exceed Rs. 20 limit. The management states that even as matters are, the workers buy the provisions at concessional rates and sell them at the market rates and thereby are also making money. I am unable to take this as a proved fact because if the worker who gets Rs. 14 worth of provisions should sell a part of them to make a profit, he will have to go without that item which he has sold or should buy it at a higher price in the market. The ways of the black market are very mysterious and even if there is truth in what the management has said it is no guidance for me in deciding any matter in issue. The workers who have appeared before me say that what they are able to buy in the stores is not enough and, therefore, they have to go to the market for the extra things required. This is to make out a case for increase in the quota for all workers up to Rs. 20. If that statement is true, it cannot be that they are selling what they buy from the stores for a higher price keeping themselves in needy circumstances. Mr. S. Venkoba Rao, the Accountant in the Factory, explained how even when a particular article is not available in the stores, it is got from market and where there is a limited stock such as coffee in the last month, the quantity made available to each worker is proportionately reduced. The company has gone into each worker's case separately and fixed a quota for him. Generally, the quota is half the salary. Mr. G. D. Paul, Wages Clerk for the last 12 years, said his salary was Rs. 50 in 1939 and he gets now Rs. 90 and his stores allowance is Rs. 26, and he says that to-day he is unable to save any money at all, not even Rs. 10, though he gets Rs. 90, whereas in 1939, he was able to save Rs. 10 a month when he was getting only Rs. 50. The number of members in his family has increased. So it may be taken to be the case with respect to all workers. So far as provisions for domestic consumption, tabulated in Exhibit XVI, are concerned, I find that the manner in which the management has fixed the quota for each worker is satisfactory and requires no change.

23. If you take the case of a worker who is getting Rs. 26, he spends Rs. 13 for provisions which we may take it for granted will be enough for the family consumption; there is still Rs. 13 plus As. 1-4 per rupee on the Rs. 26. The question is whether what is left in cash is an adequate sum of money to meet his other demands. It is well known that the chief item of expenditure is cloth. Transport has increased by 50 per cent and house rent has increased enormously. The index with respect to cloth is now in the neighbourhood of 285. Cloth may be scarce and yet cloth is required by everybody. If the 5 yards or any quantity that may be the rationed quantity is insufficient one will be obliged to go into the black market even, to clothe oneself and his family. Assuming that a family consists of on the average 4 members, the minimum that one would require for clothing these four would be nothing less than Rs. 84, which would work out at Rs. 7 per month,

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and if this is taken away from the Rs. 13 there is hardly left anything for other things not included in Exhibit XVI. A man who was getting Rs. 26 in 1939 must have been spending the whole of it for his maintenance and if to-day Rs. 13 gets the things which he was then getting for food, the remaining Rs. 13 will also go away for his necessary purposes as he was doing in 1939, but he requires more because the Rs. 13 which is left to him after buying the stores can hardly be sufficient to get the things which he has to get other than those mentioned in Exhibit XVI. Medicine, barber, wash and occasional theatre, transport besides cloth, which I have already mentioned. And they have all gone up in price and, therefore, the Rs. 13 left as cash balance would hardly be enough for him and the cash allowance of As. 1-4 in the rupee is not an adequate compensation to neutralise or even compensate for the rise in prices of things other than those mentioned in Exhibit XVI. I, therefore, recommend that the As. 1-4 should be raised to As. 2-0 in the rupee with effect from 1st January 1948.

24. On behalf of the Management a repeated request was made to permit them to drop the stores concession and that they would give a cash dearness allowance which is being paid in Bombay at Rs. 42 a month. The workers did not agree to this suggestion and I cannot say that they should be compelled to take cash in substitution of the existing arrangement of concessional stores. It is a matter which the company has to propose to the Union and the Labour Officer and after discussion if they agree they may substitute it by dearness allowance in money. I am not, however, competent to deal with this question in the Enquiry. All I can say is circumstances justify an increase in the rate of cash dearness allowance from As. 1-4 to As. 2-0. In the case of those who have been entertained after war, the stores concession is not available to them and there is quite a number of men who have been recruited recently and who have to depend upon the dearness allowance only. Whatever advantages may accrue by the stores concessions are not available to the new entrants. Therefore, also the increase of dearness allowance from As. 1-4 to As. 2-0 is justifiable.

Issue No. 6.—Whether dress should be supplied to all the workers (now only workers in certain sections are given).

A certain number of workers are supplied by the company with dress in conformity with the Madras Factory Rules. Dress is demanded by the remaining workers. I can see very little ground for that. Having inspected the factory I saw the men at the machines. Except in a very few places, there is not much chance of their dress getting soiled on account of their being near the machines. No case has been made out for asking the company to supply dress to all the workers.

Issue No. 7.—Whether the Union should be consulted when a person is recruited for service in the factory and whether a committee as suggested by the Union should be constituted for the purpose of recruitment.

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I am asked to direct the company to consult the Union before a man is recruited for service in the factory. The general policy of labour exchange is a matter for the Government to decide and in the present state of Trade Unionism in the country the factory owner may not be able to get the right type of man through existing Trade Unions. I am not referring to this particular company or to a particular trade union. If trade unionism gets sufficient strength and has exerted a useful influence generally on labour and industry not only will the company be prepared to consult the Union but will only be too glad to consult the union in order to get efficient and capable recruits. At present, however, the trade union cannot be depended upon for the purpose of recruitment. This issue is found in the negative.

Issue No. 8.—Whether the cash dearness allowance now being granted at As. 1-4 per rupee should be raised to 2 annas—Vide Finding on Issue No. 5.

Issue No. 9.—Whether any provision should be made for—

- (1) allowance for house rent;
- (2) educational facilities; and
- (3) medical aid.

beyond what is now obtaining in the factory.

Education.—This factory has an elementary school where 80 pupils are being taught. The problem of education of the children of the working classes is an important problem which it is the duty of the state to tackle than for a tribunal to compel the employer to do. I do not think I can make any recommendation on this subject. It is of course desirable that Government should make it obligatory on every management which employs more than 1,000 workmen to have a school of a High School standard to cater to the educational needs of the families of the workers, but that desideratum seems a long way off.

Medical aid.—With regard to medical aid there is a dispensary attached to the factory which I cannot say is of a very high order. There is a medical officer and such medicines as are constantly needed are available. The dispensary itself is in a comparatively small room and the medical officer there told me that even the families of the workmen who go there for treatment are attended to. The dispensary requires to be enlarged and there should be more facilities for those who go there for medical treatment. In this connection, Mr. Sarma, addressed arguments that the medical aid given to the persons who are injured is of a very flimsy character, that there is not even an ambulance and that there are frequent accidents and so on. The reply was that whenever there is any accident requiring treatment in a hospital, the injured man is taken to the Rayapuram Hospital which is four miles away in a car that is always available. They have filed a list of accident cases sent to the hospital from 1st January 1947 to 30th November 1947 (Exhibit XVII). The number of accident cases is 38 and number of cases of burns is not small. There is no doubt that the

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management is taking as much care with regard to the treatment of the injured workmen as is possible, but the number of cases being as much as 38 in eleven months and the nature of the business being concerned with things like phosphorous and sulphur, I am of opinion that the immediate medical aid available at the factory is inadequate. There is a labour office attached to the factory and as I said in the course of the arguments the labour office does not seem to be of any help to the workers. I should expect the labour welfare office to take more interest to see that better medical aid is provided. I recommend that immediate steps should be taken to expand the dispensary or build a new one where there are some beds provided for the treatment of persons injured, before they are removed to the hospital. As long as the officers of the company lend their cars to transport the injured men to hospital the absence of an ambulance is not of much consequence.

Housing.—One of the biggest problems of the day is house accommodation. There are a few houses constructed by the management but the number is so small and the houses are so very antiquated in their pattern that almost all the 1,220 workmen are going about finding a suitable accommodation for themselves. And there is no village close to the factory. Thiruvottiyur is not so near probably two miles away from the factory—and even Thiruvottiyur is said to be densely populated. The few houses attached to the factory are being let out at Rs. 3 a month. There is no denying the fact that the present notion is that it is the duty of the employer to provide housing accommodation to the employees. The time which an employee takes to go to the factory and to return home after working for the period of 8 hours or 8½ hours, is unconscionably long for the betterment of the family life of the worker. The employers in most cases have found the reasonableness to provide housing accommodation. By providing a few houses as they have done the Western India Match Company have acknowledged impliedly the desirability of providing houses to the workers. They have not done so except for a very small number. The result is that those who are not provided with houses are obliged to pay too much of a house rent. In many cases where there is no housing accommodation a house rent allowance is being given. I have therefore decided to direct that the management shall pay a house rent allowance of Rs. 5 to those whose basic salary is less than Rs. 75. Those who pay Rs. 3 or Rs. 4 or less shall be paid the actual amount of rent.

Issue No. 10.—Whether the bonus of one-fifth of the total earnings for 1946 which has been paid is inadequate and should be raised to six months' pay.

For 1946, a dividend at 12 per cent was declared and the bonus has been paid which works out to nearly 2½ months' wages. In 1945 when also 12 per cent was the dividend declared, two months' earnings were given as bonus in addition to the victory bonus. On the principle that bonus should be linked to the dividend, 20 per cent of the earnings of the workers paid as bonus should be

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deemed to be quite fair. Exhibits XI and XI (a) afford a comparative study of the production in the years 1944, 1945 and 1946 as well as the profits realized by the Madras branch of the company. No separate balance sheet is prepared for the Madras branch. The company has given the approximate figure under profits realized by the Madras Branch. A comparison of the figures also shows that 20 per cent bonus declared for 1946 is fair and reasonable.

Issue No. 11.—Whether the piece rate system should be abolished. This is not the time when piece rate system should be abolished. Apart from the principle that a piece rate is a good estimate and will indicate the efficiency of the worker the present piece rate system has been in existence from 1929 and is yet in vogue in the company's other branches at Ambarnath and Dhubri (Assam). The existing system will continue.

Issue No. 12.—Whether the management should pay to the workers railway fare for 600 miles and give other facilities for utilization of leave?

Two companies, the Burmah Shell and the Imperial Chemical Industries give railway fare to some of their workers on certain conditions, when they proceed on leave. What these two companies give is a special concession which cannot be made compulsory on other companies. The issue is found in the negative.

Issue No. 13.—Whether the contribution for provident fund should be on the total earnings or on the basic salary?

Provident fund contribution is calculated on the basic salary earned in the month. In this dearness allowance is not included. If dearness allowance is to be included in the contribution to provident fund, the demand for dearness allowance need not be given. The object with which dearness allowance is given is to compensate the worker for increased cost of living and not to make increased savings. It is obvious that there is no reason at all in this demand.

Issue No. 14.—Whether the management should supply mid-day meals to the workers?

The workers are paid an adequate salary and there are tiffin sheds constructed where they take their midday meals and the sheds are roomy and large in size. A midday meal is no small expenditure to a company to undertake. If the workers are united they can have a co-operative restaurant or hotel for which the company may be asked to give some accommodation but it is too much to ask the management to give midday meal to workers. I am not aware of any company who does this.

Issue No. 15.—Whether the factory premises are not in good condition and remodelling of the same should be made immediately.

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Along with Mr. C. G. Reddi, Deputy Chief Inspector of Factories, I visited the factory and I have not found any reason to think that the premises are not in good condition. There are different sections and in each section there is plenty of space. There is no room for complaint that a remodelling is required.

Dated at Madras, this }
3rd day of January 1948. }

(Signed)
Industrial Tribunal.

P.S.—After I completed the above award the W.I.M.Co. has sent me a list of wages and salaries revised by them, to take effect from 27th December 1947. This, they state in their letter, was necessitated owing to the cutting down of petrol rations and consequent shortage of wood. Instead of full size boxes, medium size is to be produced but the rate as for full size is being maintained for medium size, production being as per standard fixed in column 6 of the statement. The change, therefore, it is claimed, does not offend the provisions of section 33 of the Industrial Disputes Act as the workers' earnings are not adversely affected.

(Signed)
Industrial Tribunal.

